

Denver South EDP Support HB 1080

Mike Fitzgerald's Testimony in Support of HB 1080

- Mister/Madam Chair and members of the committee, good afternoon, I am Mike Fitzgerald, here today in support of House Bill 1080. I am President and CEO of the Denver South Economic Development Partnership.
- We are a non-profit economic development organization of government and business leaders committed to the economic vitality and sustainability of the Denver South region. We are committed to the belief that if the economy is growing, diversifying and the tax base is expanding, most other dreams are possible.
- Over the past year, there has been an increase in aviation and aerospace companies interested in Colorado. We have a highly educated and technical workforce, a network of successful general aviation airports including Centennial Airport. Denver South is the commercial center of Colorado's aerospace industry. Colorado is the 2nd largest in the nation with 66,000 jobs paying an average wage of \$92,000.
- Recently, the advanced manufacturing skills arising from companies such as Vestas and the availability of workers experienced with carbon fiber technology are recognized by emerging aviation companies.
- Colorado now has a real opportunity to expand our current strengths and attract the new space and aerospace companies to our state. We believe that House Bill 1080 is a critical piece of legislation that can help create a new manufacturing industry in Colorado.
- Aircraft manufacturing has the potential to create excellent jobs for highly skilled manufacturing jobs.
- These new companies could create a new era of advanced industry manufacturing and innovation in this state.
- The \$1,200 tax credit for net jobs created is a small investment when compared to the subsequent economic benefits that each of those new jobs creates.
- Partnering with Arapahoe/Douglas Works, Denver South has economic analysis indicating that each new job created in this industry sector, paying competitive wages has the potential to add about two new additional jobs.
- In our economic model, an aircraft manufacturing company adding 600 direct jobs would create an additional 1,140 direct, indirect and induced jobs with total annual earnings of \$126,702,504 annual payroll.
- Please see the attached analysis for details.
- You can see the leverage these incentives for Colorado's new business, investment and jobs but perhaps more importantly, the message this bill sends that Colorado welcomes these aerospace companies.
- I want to thank you for initiating this proposal, I respectfully recommend the members of this committee to support House bill 1080 and I'm happy to answer any questions at this time.

*Air Craft
Manufact
Estimates*

Input/Output Table for Aircraft Manufacturing									
NAICS	Jobs Mult.	Earnings Mult.	Description	Initial Jobs Added	Direct, Indirect, and Induced Jobs Added	Initial Earnings Added	Direct, Indirect, and Induced Earnings Added	Total New Jobs	Total Added Earnings
336411	2.90	1.99	Aircraft Manufacturing	45	86	\$ 4,775,220	\$ 4,727,468	131	\$ 9,502,688
	2.90	1.99		45	86	\$ 4,775,220	\$ 4,727,468	131	\$ 9,502,688

Aggregate Consumer Activity Generated by Potential DSEDP Activity, 2012		
Initial, Direct, Indirect & Induced (Total Number) Jobs Added		131
Total Worker Earnings from Jobs Added		\$ 9,502,688
Consumer Expenditures of Workers Added, Denver Metro Area	78.64%	\$ 7,473,339
Food	9.81%	\$ 932,155
Food at home	5.80%	\$ 551,171
Cereals and bakery products	0.80%	\$ 76,349
Cereals and cereal products	0.26%	\$ 25,095
Bakery products	0.54%	\$ 51,254
Meats, poultry, fish, and eggs	1.25%	\$ 119,238
Beef	0.35%	\$ 33,003
Pork	0.24%	\$ 22,661
Other meats	0.19%	\$ 17,794
Poultry	0.22%	\$ 20,988
Fish and seafood	0.19%	\$ 17,794
Eggs	0.07%	\$ 6,996
Dairy products	0.61%	\$ 57,794
Fresh milk and cream	0.23%	\$ 21,445
Other dairy products	0.38%	\$ 36,501
Fruits and vegetables	1.09%	\$ 103,269
Fresh fruits	0.37%	\$ 35,285
Fresh vegetables	0.34%	\$ 31,939
Processed fruits	0.18%	\$ 17,186
Processed vegetables	0.20%	\$ 18,859
Other food at home	2.05%	\$ 194,370
Sugar and other sweets	0.21%	\$ 20,076
Fats and oils	0.16%	\$ 15,665
Miscellaneous foods	1.07%	\$ 101,444
Nonalcoholic beverages	0.53%	\$ 50,646
Food prepared by consumer unit on out-of-town trips	0.07%	\$ 6,540
Food away from home	4.01%	\$ 380,984
Alcoholic beverages	0.66%	\$ 62,661
Housing	26.50%	\$ 2,518,142
Shelter	15.70%	\$ 1,492,300
Owned dwellings	10.05%	\$ 954,664
Mortgage interest and charges	5.36%	\$ 509,651
Property taxes	2.90%	\$ 275,890
Maintenance, repairs, insurance, other expenses	1.78%	\$ 169,123
Rented dwellings	4.64%	\$ 441,059
Other lodging	1.02%	\$ 96,577
Utilities, fuels, and public services	5.86%	\$ 556,647
Natural gas	0.70%	\$ 66,919

Electricity	2.26%	\$ 214,902
Fuel oil and other fuels	0.22%	\$ 21,292
Telephone services	1.89%	\$ 179,161
Water and other public services	0.78%	\$ 74,372
Household operations	1.61%	\$ 153,154
Personal services	0.54%	\$ 51,710
Other household expenses	1.07%	\$ 101,444
Housekeeping supplies	0.98%	\$ 93,079
Laundry and cleaning supplies	0.24%	\$ 22,813
Other household products	0.53%	\$ 50,037
Postage and stationery	0.21%	\$ 20,076
Household furnishings and equipment	2.35%	\$ 223,115
Household textiles	0.16%	\$ 15,513
Furniture	0.57%	\$ 53,992
Floor coverings	0.06%	\$ 5,475
Major appliances	0.33%	\$ 31,787
Small appliances, miscellaneous housewares	0.17%	\$ 16,274
Miscellaneous household equipment	1.05%	\$ 99,923
Apparel and services	2.72%	\$ 258,552
Men and boys	0.61%	\$ 58,098
Men, 16 and over	0.49%	\$ 46,235
Boys, 2 to 15	0.12%	\$ 11,863
Women and girls	1.06%	\$ 100,835
Women, 16 and over	0.90%	\$ 85,474
Girls, 2 to 15	0.16%	\$ 15,361
Children under 2	0.15%	\$ 13,840
Footwear	0.48%	\$ 46,083
Other apparel products and services	0.42%	\$ 39,695
Transportation	12.29%	\$ 1,167,589
Vehicle purchases (net outlay)	4.14%	\$ 393,607
Cars and trucks, new	1.95%	\$ 185,397
Cars and trucks, used	2.11%	\$ 200,454
Other vehicles	0.08%	\$ 7,757
Gasoline and motor oil	3.41%	\$ 324,254
Other vehicle expenses	3.94%	\$ 374,748
Vehicle finance charges	0.39%	\$ 36,958
Maintenance and repairs	1.26%	\$ 119,694
Vehicle insurance	1.62%	\$ 153,610
Vehicle rental, leases, licenses, and other charges	0.68%	\$ 64,334
Public transportation	0.79%	\$ 74,980
Healthcare	5.05%	\$ 480,146
Health insurance	2.93%	\$ 278,475

Medical services	1.16%	\$ 109,808
Drugs	0.78%	\$ 73,763
Medical supplies	0.19%	\$ 18,099
Entertainment	4.01%	\$ 380,831
Fees and admissions	0.93%	\$ 88,364
Audio and visual equipment and services 2/	1.53%	\$ 145,093
Pets, toys, hobbies, and playground equipment	0.97%	\$ 92,166
Other entertainment supplies, equipment, and services	0.58%	\$ 55,360
Personal care products and services	0.93%	\$ 88,516
Reading	0.16%	\$ 15,209
Education	1.72%	\$ 163,344
Tobacco products and smoking supplies	0.58%	\$ 55,056
Miscellaneous	1.36%	\$ 129,124
Cash contributions	2.61%	\$ 248,362
Personal insurance and pensions	8.60%	\$ 817,176
Life and other personal insurance	0.51%	\$ 48,364
Pensions and Social Security	8.09%	\$ 768,659
Gifts of goods and services	1.65%	\$ 156,500
Food	0.14%	\$ 13,536
Alcoholic beverages 3/	0.02%	\$ 2,129
Housing	0.32%	\$ 30,266
Housekeeping supplies	0.04%	\$ 3,802
Household textiles	0.01%	\$ 1,217
Appliances and miscellaneous housewares	0.04%	\$ 3,346
Major appliances	0.01%	\$ 760
Small appliances and miscellaneous housewares	0.03%	\$ 2,586
Miscellaneous household equipment	0.08%	\$ 7,148
Other housing	0.16%	\$ 14,753
Apparel and services	0.34%	\$ 32,243
Males, 2 and over	0.08%	\$ 7,604
Females, 2 and over	0.12%	\$ 11,103
Children under 2	0.08%	\$ 7,148
Other apparel products and services	0.07%	\$ 6,388
Jewelry and watches	0.03%	\$ 2,586
All other apparel products and services	0.04%	\$ 3,802
Transportation	0.14%	\$ 12,928
Health care	0.03%	\$ 3,194
Entertainment	0.15%	\$ 14,448
Toys, games, arts and crafts, and tricycles	0.06%	\$ 5,779
Other entertainment	0.09%	\$ 8,821
Personal care products and services 3/	0.02%	\$ 1,977
Reading	0.00%	\$ 152

Education	0.35%	\$ 33,612
All other gifts	0.13%	\$ 12,167

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2011

Input/Output Table for Aircraft Manufacturing									
NAICS	Jobs Mult	Earnings Mult	Description	Initial Jobs Added	Direct Indirect, and Induced Jobs Added	Initial Earnings Added	Direct Indirect, and Induced Earnings Added	Total New Jobs	Total Added Earnings
336411	2.90	1.99	Aircraft Manufacturing	200	380	\$ 21,223,200	\$ 21,010,968	580	\$ 42,234,168
	2.90	1.99		200	380	\$ 21,223,200	\$ 21,010,968	580	\$ 42,234,168

Aggregate Consumer Activity Generated by Potential DSEDP Activity, 2012		
Initial, Direct, Indirect & Induced (Total Number) Jobs Added		580
Total Worker Earnings from Jobs Added		\$ 42,234,168
Consumer Expenditures of Workers Added, Denver Metro Area	78.64%	\$ 33,214,838
Food	9.81%	\$ 4,142,911
Food at home	5.80%	\$ 2,449,651
Cereals and bakery products	0.80%	\$ 339,328
Cereals and cereal products	0.26%	\$ 111,532
Bakery products	0.54%	\$ 227,796
Meats, poultry, fish, and eggs	1.25%	\$ 529,947
Beef	0.35%	\$ 146,682
Pork	0.24%	\$ 100,717
Other meats	0.19%	\$ 79,086
Poultry	0.22%	\$ 93,281
Fish and seafood	0.19%	\$ 79,086
Eggs	0.07%	\$ 31,094
Dairy products	0.61%	\$ 256,862
Fresh milk and cream	0.23%	\$ 95,309
Other dairy products	0.38%	\$ 162,229
Fruits and vegetables	1.09%	\$ 458,972
Fresh fruits	0.37%	\$ 156,821
Fresh vegetables	0.34%	\$ 141,950
Processed fruits	0.18%	\$ 76,383
Processed vegetables	0.20%	\$ 83,818
Other food at home	2.05%	\$ 863,867
Sugar and other sweets	0.21%	\$ 89,226
Fats and oils	0.16%	\$ 69,623
Miscellaneous foods	1.07%	\$ 450,860
Nonalcoholic beverages	0.53%	\$ 225,092
Food prepared by consumer unit on out-of-town trips	0.07%	\$ 29,066
Food away from home	4.01%	\$ 1,693,260
Alcoholic beverages	0.66%	\$ 278,492
Housing	26.50%	\$ 11,191,740
Shelter	15.70%	\$ 6,632,443
Owned dwellings	10.05%	\$ 4,242,952
Mortgage interest and charges	5.36%	\$ 2,265,116
Property taxes	2.90%	\$ 1,226,177
Maintenance, repairs, insurance, other expenses	1.78%	\$ 751,659
Rented dwellings	4.64%	\$ 1,960,261
Other lodging	1.02%	\$ 429,230
Utilities, fuels, and public services	5.86%	\$ 2,473,985
Natural gas	0.70%	\$ 297,419

Electricity	2.26%	\$ 955,120
Fuel oil and other fuels	0.22%	\$ 94,633
Telephone services	1.89%	\$ 796,272
Water and other public services	0.78%	\$ 330,541
Household operations	1.61%	\$ 680,684
Personal services	0.54%	\$ 229,824
Other household expenses	1.07%	\$ 450,860
Housekeeping supplies	0.98%	\$ 413,683
Laundry and cleaning supplies	0.24%	\$ 101,393
Other household products	0.53%	\$ 222,388
Postage and stationery	0.21%	\$ 89,226
Household furnishings and equipment	2.35%	\$ 991,622
Household textiles	0.16%	\$ 68,947
Furniture	0.57%	\$ 239,963
Floor coverings	0.06%	\$ 24,334
Major appliances	0.33%	\$ 141,274
Small appliances, miscellaneous housewares	0.17%	\$ 72,327
Miscellaneous household equipment	1.05%	\$ 444,101
Apparel and services	2.72%	\$ 1,149,119
Men and boys	0.61%	\$ 258,214
Men, 16 and over	0.49%	\$ 205,489
Boys, 2 to 15	0.12%	\$ 52,724
Women and girls	1.06%	\$ 448,156
Women, 16 and over	0.90%	\$ 379,885
Girls, 2 to 15	0.16%	\$ 68,271
Children under 2	0.15%	\$ 61,512
Footwear	0.48%	\$ 204,814
Other apparel products and services	0.42%	\$ 176,424
Transportation	12.29%	\$ 5,189,285
Vehicle purchases (net outlay)	4.14%	\$ 1,749,364
Cars and trucks, new	1.95%	\$ 823,986
Cars and trucks, used	2.11%	\$ 890,905
Other vehicles	0.08%	\$ 34,474
Gasoline and motor oil	3.41%	\$ 1,441,130
Other vehicle expenses	3.94%	\$ 1,665,546
Vehicle finance charges	0.39%	\$ 164,256
Maintenance and repairs	1.26%	\$ 531,974
Vehicle insurance	1.62%	\$ 682,712
Vehicle rental, leases, licenses, and other charges	0.68%	\$ 285,928
Public transportation	0.79%	\$ 333,244
Healthcare	5.05%	\$ 2,133,981
Health insurance	2.93%	\$ 1,237,668

Medical services	1.16%	\$ 488,037
Drugs	0.78%	\$ 327,837
Medical supplies	0.19%	\$ 80,438
Entertainment	4.01%	\$ 1,692,584
Fees and admissions	0.93%	\$ 392,728
Audio and visual equipment and services 2/	1.53%	\$ 644,858
Pets, toys, hobbies, and playground equipment	0.97%	\$ 409,627
Other entertainment supplies, equipment, and services	0.58%	\$ 246,047
Personal care products and services	0.93%	\$ 393,404
Reading	0.16%	\$ 67,595
Education	1.72%	\$ 725,973
Tobacco products and smoking supplies	0.58%	\$ 244,695
Miscellaneous	1.36%	\$ 573,883
Cash contributions	2.61%	\$ 1,103,830
Personal insurance and pensions	8.60%	\$ 3,631,891
Life and other personal insurance	0.51%	\$ 214,953
Pensions and Social Security	8.09%	\$ 3,416,262
Gifts of goods and services	1.65%	\$ 695,555
Food	0.14%	\$ 60,160
Alcoholic beverages 3/	0.02%	\$ 9,463
Housing	0.32%	\$ 134,514
Housekeeping supplies	0.04%	\$ 16,899
Household textiles	0.01%	\$ 5,408
Appliances and miscellaneous housewares	0.04%	\$ 14,871
Major appliances	0.01%	\$ 3,380
Small appliances and miscellaneous housewares	0.03%	\$ 11,491
Miscellaneous household equipment	0.08%	\$ 31,770
Other housing	0.16%	\$ 65,567
Apparel and services	0.34%	\$ 143,302
Males, 2 and over	0.08%	\$ 33,798
Females, 2 and over	0.12%	\$ 49,345
Children under 2	0.08%	\$ 31,770
Other apparel products and services	0.07%	\$ 28,390
Jewelry and watches	0.03%	\$ 11,491
All other apparel products and services	0.04%	\$ 16,899
Transportation	0.14%	\$ 57,456
Health care	0.03%	\$ 14,195
Entertainment	0.15%	\$ 64,215
Toys, games, arts and crafts, and tricycles	0.06%	\$ 25,686
Other entertainment	0.09%	\$ 39,205
Personal care products and services 3/	0.02%	\$ 8,787
Reading	0.00%	\$ 676

Education	0.35%	\$ 149,385
All other gifts	0.13%	\$ 54,076

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2011